

OTC Collections RSFP Q&A

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1. **Number of Accounts (Overview):** The RFP indicates the request to establish six (6) accounts. Please provide a general overview of the entities that still require the OTC arrangement. (Exhibit 6 – Bid Sheet, p.35)

The State (Treasury) maintains a single main general collections account. In addition, there are five other DDAs that are operated by agencies and which have smaller balances and less activity.

2. **Future Volume Projections:** The background section indicates that the number of sites that retain the ability and willingness to deposit OTC has remained constant. With the term of the contract projected for four (4) years, do you anticipate the volume projections provided will remain constant, or is there a significant likelihood that the transaction volumes will decrease (as sites transition to utilizing the State's electronic collections bank)? (Section I. Overview, B. Background, p.1)

While it is difficult to put a firm number on it, there is the strong likelihood that check deposit volume will decrease as Treasury continues to roll out Remote Check Deposit at additional agencies. Recent average ledger balances were: July 2011 \$5.34 million, July 2012 \$4.91 million, and July 2013 \$3.33 million.

3. **Branch Location Coverage:** In order to understand and respond to the proximity of our branch locations to your OTC depositors, please provide physical addresses for the State of Delaware organizations that are included in this RFP. (Exhibit 5: Questionnaire, Retail Branch Banking – Question 1, p. 33)

There is a wide and even geographic distribution of State revenue-collection points, such as 20 Justice of the Peace Court locations and 20 state parks. They exist from Selbyville to Claymont, from Fenwick to Newark. While the greatest concentration of revenue-collecting agencies are located in the cities of Wilmington, New Castle and Dover, there is no corner of Delaware without an agency presence. There is currently no geographic list of revenue-collecting agencies.

4. **Currency Deposited:** Is there any seasonality in the Currency Deposited? If yes, please clarify seasonality of cash deposits (i.e. higher months of the year, higher volume peaks during the month, etc.). (Exhibit 6 – Bid Sheet – Currency Deposited Per \$1.00, p.35)

There is a slightly greater volume of currency deposited in the summer months, due mainly to traffic ticket payments at JP Courts.

5. **Foreign item Exchange:** Is it the State's requirement to obtain immediate credit at the time of deposit? (Section II. Scope of Services, item 11a, p. 5)

Typically, if the item is in USD drawn on a foreign bank and less than \$7,500, the State receives immediate provisional credit on the day of deposit. Larger checks are sent to the bank's foreign exchange/collection department for clearing, and the State is given provisional credit the next day.

6. **Balances Maintained in Accounts:** Understanding that the State's intent is to move funds to your primary Collections Bank in an expeditious manner, please confirm the anticipated average monthly balance that will remain in the aggregate OTC accounts. (Exhibit 6 – Bid Sheet - FDIC, p.35)

The aggregate average ledger balance for the six accounts is about \$3.3 million

7. **Disbursement Items (Check Paid):** The bid sheet provides an annual Checks Paid volume of 5,900. As this is a Collections proposal, please provide an overview of the primary purpose of the disbursements. With the current provider, are the accounts set up for Positive Pay fraud services? (Exhibit 6 – Bid Sheet – Checks and Items Paid, p.35)

Aside from the primary OTC collections account, there are five DDAs that are used by agencies for general purposes. PosiPay is not used for any account.

8. **Account Structure:** Are these accounts to be in a Zero Balance structure or completely decentralized? (Exhibit 6 – Bid Sheet, p.35)

They will be completely decentralized....no ZBAs or CDAs.